



## Austin City Council MINUTES

For JANUARY 31, 1983 - 6:00 P.M.  
SPECIAL CALLED MEETING

Council Chambers, 307 West Second Street, Austin, Texas

### City Council

Ron Mullen  
Mayor

John Treviño, Jr.  
Mayor Pro Tem

Council Members  
Mark Rose  
Roger Duncan  
Sally Shipman  
Mark E. Spaeth  
Charles E. Urdy

Jorge Carrasco  
City Manager

Elden Aldridge  
City Clerk

### Memorandum To:

Mayor McClellan called to order the Special Meeting of the Council scheduled for 6:00 P.M., noting the absence of Council-member Duncan. The purpose of the meeting is to discuss an application for a UDAG for the Waller Creek Project located at I-35 and East 5th Street.

Carlos Hererra addressed the Council on the objectives of the UDAG. Some of these objectives are reinvestment in distressed areas in the city, to develop new employment and to try to extend the tax base. He also discussed the criteria for feasibility that HUD takes into consideration to give UDAG. Mr. Rodriguez, Budget Director, gave a brief summary of the project. The three primary components of the project are a hotel, an office building, and a parking garage. Total cost for the project is 29.1 million dollars. The financial structure of the project consists of the following: 24 million in bonds, 3 million UDAG loan, and equity investment at 2.1 million. The City would be required to invest \$600,000.00. An unidentified man appeared on behalf of the developer. They intend to create a riverwalk atmosphere at Old East Pecan Street on Waller Creek.

### PUBLIC HEARING - WALLER CREEK PROJECT

Mayor McClellan opened the public hearing on the Waller Creek Project.

Mr. Marcos DeLeon appeared and read some UDAG regulations to the Council. HUD will select the proposal that provides the highest overall benefits to the low and moderate income persons.

EACEDC

Vic Romo of EACEDC asked questions concerning the traffic problems that the project will create. Romo wanted to know how the traffic on East Sixth and East Seventh at I-35 would be affected. Romo stated that there was not enough citizen participation in the project for HUD to grant the UDAG.

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Carl Daywood, a downtown businessman, appeared before the Council. He stated that he had been involved with the Waller Creek Project since day one. Daywood said that the project was a definite plus for Austin and the Waller Creek Area.

An unidentified woman appeared and suggested to talk with the UDAG people to hear the pros and cons. This way people could go back to their neighborhood groups and report what is happening.

Carlos Velasquez was happy that the project would bring jobs to the "pocket of poverty" area.

Mr. Glen Rosalez, Director of the Southwest Austin Neighborhood Association, says that the project will benefit the area.

Ms. Helen Montia says that residents in her neighborhood were not notified of the project. She says that the jobs they are offering are "dead end jobs."

Mr. Manuel Pena of 1205 E. 2nd Street appeared before the Council. He also was not notified about the UDAG. This cut off all citizen's input into this proposal. Pena also agrees that the project will create more traffic problems.

Mayor Pro Tem Trevino stated, "that this was an approval of concepts and we are not legally bound by anything we do tonight."

Mr. Jose Ortega, said that the full name of the project was Pocket of Poverty Urban Development Action Grant Program, not UDAG. Ortega also stated that if it were not for the poor people in the area that the City would not be eligible to receive the grant. Ortega says that the Council should consider that very seriously in terms of how those poor people can participate in this venture. He further said that the intent of the UDAG project is to make sure that there is real significant benefits to the minority community, and that doesn't mean the type of jobs that generally created by this type of venture like bus boys or whatever.

Mayor McClellan said, "It's the City's application and therefore it's the City's responsibility to control the process."

Frank Collazo, State Representative from District 23, spoke about development in his district.

Dr. Jane Haney, of the EACEDC, stated that the UDAG application was more than just a letter of intent.

Shelton Ganz, consultant for the project, said, "I have been working very closely with the City task force and have been working on the application. Portions of the application have already been reviewed by City Staff."

Frank Rodriguez stated that the staff had already reviewed most of the application. He said that there is an application put together at this point.

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The City Manager said, "We're relying on the developer to put together the application. If the application is to be sent off by the deadline, the developer would have to send it." The City Manager also stated, "the resolution protects the City so we can get out of the contract if needed. As the applicant the City can withdraw the application any time."

An unidentified woman addressed the Council to speak of the financing of the project. She said the City used Industrial Development Bonds. She made a formal recommendation that the City, beginning right now, develop a Citizens Review Process for all funds that come to this City based on socio-economic criteria.

Jay Johnson said, "I see nothing wrong with a person doing an honest days work at whatever price and whatever station he fits in. When you get too good to work, that's when the whole community goes down hill."

Paul Hernandez, Director of the East Austin Chicano Economic Development Corporation, asked the Council, "How do the people of East Austin want East Austin Developed?" He also said that the only reason that this meeting was held tonight was to comply.

Mayor McClellan told Hernandez, "If we don't take this first step tonight, there will be no process or nothing to discuss."

#### Motion

Councilmember Goodman made a motion that was seconded by Mayor McClellan to close the public hearing and adopt a resolution submitting an application for an Urban Development Action Grant (UDAG) for the Waller Creek Porject located at I-35 and East 5th Street.

#### Friendly Amendment

Councilmember Deuser offered a friendly amendment: "On Wednesday, February 23rd that we have a Public Hearing to clean up the following items: 1) all the commitment that will be needed to be made to the City in specific detail, 2) identification of the appropriate City monies that would be proposed to be used in this match, 3) all commitments that are made by the applicant to the residents of the "pocket of poverty" as arrived at through meetings that will occur between January 31st and February 23rd and along with that that the Council will act prior to March 4th." The Mayor wanted the Public Hearing on Thursday the 24th late in the evening. Friendly Amendment was accepted by Councilmember Goodman and Mayor McClellan.

#### Roll Call

After further discussion, the motion was passed by a 6-0 vote, Councilmember Duncan was absent.

#### ADJOURNMENT

Council adjourned its meeting at 8:45 P.M.